New Zealand Sheepmeat in Europe and the World

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Presentation to Sheepmeat Reflection Group
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BEEF + LAMB NEW ZEALAND

• Industry-good organisation, farmer-owned
• Four programmes funded by producer levies
  • Farm: On-farm research and extension
  • Market: Market access, trade policy, and promotion
  • People: Skills and leadership
  • Information: Economic analysis
LIVESTOCK NUMBERS
1990/91 to 2014/15

Source: B+LNZ Economic Service, Statistics New Zealand

% Change 1990-91 to 2014-15

Dairy +95%
Beef -20%
Sheep -48%

Source: B+LNZ Economic Service, Statistics New Zealand
NZ LAMB EXPORTS (TONNES)

- European Union
- Middle East
- North America
- North Asia
- Other

Source: B+LNZ Economic Service
EU SHEEPMEAT IMPORT QUOTAS

• Established in 1995 as part of EU’s bound commitments under WTO Uruguay Round
  – Covers all products under CN Code 0204
  – Based around carcase weight equivalence
    • 1kg boneless lamb = 1.67kg (mutton = 1.81kg)

<table>
<thead>
<tr>
<th>Country</th>
<th>Quota</th>
<th>Country</th>
<th>Quota</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>23,000</td>
<td>Australia</td>
<td>19,186</td>
</tr>
<tr>
<td>New Zealand</td>
<td>228,254</td>
<td>Uruguay</td>
<td>5,800</td>
</tr>
<tr>
<td>Chile</td>
<td>7,600*</td>
<td>Norway</td>
<td>300</td>
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<tr>
<td>Greenland</td>
<td>100</td>
<td>Faroe Islands</td>
<td>20</td>
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<tr>
<td>Turkey</td>
<td>200</td>
<td>Iceland</td>
<td>1,850</td>
</tr>
</tbody>
</table>
NZ QUOTA UTILISATION

% Utilisation
% Of Which is Chilled Lamb

Source: New Zealand Meat Board
NEW ZEALAND SHEEPMEAT
EU Destinations – 2012-2015 (YE 30 Sept)

Source: B+LNZ Economic Service

2015

- United Kingdom: 48%
- Germany: 15%
- France: 9%
- Netherlands: 11%
- Belgium: 5%
- Italy: 2%
- Others: 10%

2012

2013

2014

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NZ EXPORT MIX TO THE EU
Calendar Year (Tonnes carcase weight equivalent)

Source: New Zealand Meat Board
NZ EXPORT MIX TO THE UK
Calendar Year (Tonnes carcase weight equivalent)

- Sheepmeat: +8.2%
- Frozen Lamb: +11.5%
- Chilled Lamb: -4.6%
- Mutton: +43.9%

Source: New Zealand Meat Board
CUMULATIVE EU IMPORTS OF NZ SHEEPMEAT OVER EASTER
Tonnes Product Weight

2014 vs 2015

Source: European Commission (DG Taxud)
MARKET CHALLENGES

• Uncertain economies in some key sheepmeat markets
  – Europe: ‘Brexit’; migration; general consumption improving, but food cheaper
  – North Asia: readjustment in China
  – Middle East: conflict and poor oil returns
• An unsure world is a difficult place to sell a high-end protein
Source: AgraEurope; FAO
THERE ARE POSITIVES…

- Some markets doing better year-on-year
  - France: +5.3% average value
  - Germany: +0.8% average value
- Emerging middle classes in Asia are still there and growing
- But, access is key
FARMER PROFITABILITY

- Focus on what you can control

Price levels – meat, wool, currency  
Lambing/calving %  
Wool Production per sheep  
Livestock weights/growth rates  
Loss rates  
Fertiliser per ha or per SU  
Farm expenditure per ha, SU  
Gross Margins

low control  
farmland control  
farmland control  
farmland control  
farmland control  
farmland control  
farmland control  
farmland control
REAL EFFICIENCY GAIN

• 1990/91
  – 57.9 million sheep
  – 420,000 tonnes of sheepmeat exported
• 2014/15
  – 28.6 million sheep
  – 375,000 tonnes of sheepmeat exported
• Lambing %, carcase weights, hogget lambing
$65 million over 7 years

- Government
- Farmer-owned industry-good (B+LNZ)
- Meat processing, exporting and marketing (Alliance, ANZCO, Blue Sky Meats, Greenlea Premier Meats, Progressive Meats, Silver Fern Farms)
- Financial services (ANZ Bank, Rabobank)
CO-OPERATION
Common Issues

• Environmental Impacts
  – Product Environmental Footprint for ‘Meat’
• Promoting a strong sheep industry
  – Ovinpiades/World Young Shepherds
  – Leadership Visits

• Can this be taken further?
THANK YOU – QUESTIONS?